DECENTRALIZATION IN NICARAGUA

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November 2011

ACRONYMS

AECI	Spanish International Cooperation Agency
CEAP	Centre for Public Administration Studies
CDM	Municipal Development Committee
CDD	Provincial Development Committee
CCER	Civil Coordinator for Emergency and Reconstruction
CINCO	Centre for Communications Research
CENIDH	Nicaraguan Human Rights Centre
CERAP	Public Administration Reform Committee
CODENI	Child Rights Coordinator
CPC	Citizen Power Councils
CSO	Civil Society Organization
FISE	Emergency Social Investment Fund
FLACSO	Latin American School of Social Sciences
FSLN	Sandinista National Liberation Front
INIFOM	Nicaraguan Municipal Development Institute
IPADE	Institute for Development and Democracy
OAP	Public Administration Office
OMCT	World Organization Against Torture
NDS	National Development Strategy
NGO	Non-governmental Organization
NSAG	North-South Advocacy Group
PLC	Constitutionalist Liberal Party
PRS	Poverty Reduction Strategy
RMVC	Network of Women Against Violence
RNDDL	National Network for Democracy and Local Development
UCRESEP	Public Sector Reform Coordinating Unit
UN	United Nations
UNDP	United Nations Development Programme

INTRODUCTION

Any telling of the evolution of decentralization in Nicaragua must take certain historical factors into account. During most of the twentieth century, a long 43-year dictatorship established a patrimonial State. The regime was overthrown in 1979 by a revolution which went on to implement its political project for a decade, amidst a civil war. During that period the state was highly centralized under a single-party system. Starting in 1990, however, the country has undergone processes of democratization and reforms. These were negotiated between the economic and political elites at the very top of the pyramid.

The outcome of these processes, which encompass almost the entire contemporary history of Nicaragua, is a weak national State in both political and institutional terms. Autonomous civil society has been slow to emerge, is fragmented, and finds itself limited as concerns the capacity to forge a network of organizations with equal representation of the existing diversity and differences in territory, social and economic status, gender and ethnic group.

Under these circumstances, the approaches to the construction of rights, access and democratic institutional decision-making spaces at the different political and administrative levels have developed in an unequal and conditioned manner. The conditionalities imposed upon the components of this process of decentralization, as a whole and individually, oblige the analysis to consider this relation as something more than merely the current context. For its part, at some point expectations were high that decentralization might prove able to revert or at least lessen this heavy load of political conditionality.

The evolution of decentralization can therefore not be analyzed without including the political dimension as an essential factor.

These historical considerations serve also to better understand the specific conditions under which these decentralizing processes evolved, as they took place in very incomplete States, with weak legitimacy and dubious legality, to which in certain cases must be added prolonged armed conflict and transitions which are, by definition, uncertain and unstable in their outcomes.

This study intends to break down the object of analysis into three sections, which are to be cross-referenced with three variables that are pertinent to the questions posed in the Terms of Reference (ToR), as follows:

Section 1:   A description of the manner in which decentralization took place in Nicaragua, analyzing priorities and the emphasis placed on certain policies, as well the political and institutional problems it faced.

Section 2:   An analysis of the current situation regarding decentralization, specifically since 2007, when the current government came to office in 2007.

Section 3:   An analysis of the relevance of the approaches and processes which have characterized decentralization, in light of its present condition.

These three sections will verified against the following variables:

The transfer of power and democratization of the State. The degree to which rights-based participatory models, processes and institutional spaces for decision-making were generated, with aims such as equity and the redistribution of power.

The generation of local development, delivery of services and poverty reduction. Here it will be discussed how poverty reduction appeared as an object of public policy, overlapped with decentralization and whether this led to pro-poor policies.

The potential for empowerment and inclusion to the platforms and dynamics of social actors. This aspect will be examined in relation to the creation of spaces for negotiation, the preparation of agendas and platforms, as well as their capacity for exercising real advocacy as a means of channelling demands, rights and giving voice to the different actors (associations, unions, women, NGOs, ethnic groups, and so on).

Based on the foregoing, the relevance of the process of decentralization will be discussed, compared to the expectations it raised at some point. The conclusions of this study will emerge from the cross-referencing of these analyses.

I.   DECENTRALIZATION IN NICARAGUA

Analysis of priorities, policies and political and institutional problems faced

It may be a good idea to begin by providing at the outset a chronology which illustrates the context and conditions in which decentralization took place in Nicaragua. This will allow for an incisive reflection, instead of assuming this was a linear process of development in which progress accumulated in an almost vegetative manner. This sort of assumption has led many to reach erroneous conclusions.

Although the ToRs for this study prioritize the last eight years, it should be noted that the stage was set and certain conditions which originated before 2003 have prevailed over time, while other tendencies which incubated during the period selected have stagnated or been rolled back. Without intending to go into detail, it is nonetheless useful to at least mention the different periods in order to gain an overview of the problems inherent to the period selected for this study of decentralization.

The four main periods systematized in the table below provide an outline in broad brushstrokes of the historical process.

Periods in the Political Process of Decentralisation	
1990-1995	Post-conflict transition, unstable, highly conflictive. The population was subjected to a severe economic stabilization and economic adjustment programme. Economic and institutional reform got underway. The subject of decentralisation emerged as part of State reform.
1996-2001	Political stabilization. The pacification period drew to a close. Decentralisation took the route of municipalism. New actors and demands were generated as a result of a natural disaster (Hurricane Mitch). A poverty reduction strategy emerged, with decentralization as one of its cross-cutting issues.
2002-2006	A tendency in the direction of establishing a two-party system emerged, including a political power-sharing agreement between the Liberal Constitutionalist Party (PLC) and the Sandinista National Liberation Front (FSLN), who in effect monopolised the State. Simultaneously, the debate on comprehensive decentralization deepened, with policy documents and proposals being drawn up by CSOs. Pertinent laws on the matter were passed. Expectations ran high.
2007-2011	The FSLN won the November 2006 elections and took office. Since then there have been significant changes in governance, expectations are much lower and the process of decentralization has stagnated.

Source: the consultant

Overall, it is clear that decentralisation as a process has been very much conditioned by political cycles and historical events.

Between 1990 and 1995 the country emerged from the revolutionary period and civil war. Priorities were issues such as pacification and negotiations around an institutional and economic reform program which was to redirect the country toward a market economy, a pluralist democracy and economic stabilisation.

Although the transition was highly conflictive, by 1994 the main agreements had been reached and their implementation was underway. The drastic reduction of the public sector and sporadic conflicts in both urban and rural areas, in which irregular armed groups acted locally as late as 1997, lead to a significant breach between the central government and local levels, as expressed by

weak service delivery, coverage and political relations between the former and the various types of actors in the territory.

The negotiating processes and the political conflict were highly centralised from the perspective of decision-makers, but the widening distance from the centre allowed the mayor's offices to take on a more relevant role as political and administrative entities, and on occasion even as mediators in local conflicts.

In 1993-94 a program began at the Ministry of Social Action[1] which encouraged the creation of community development committees, with support from the international donor community.

Also indicative of the new tendency was the establishment of the Emergency Social Investment Fund (FISE), a social compensation programme which sought to reach the local level and contributed to make more visible the weaknesses and needs of local levels of government.

From the perspective of decentralisation there are two particularly relevant aspects, namely the enhanced importance assigned to municipalities and local governments, and the establishment of a central government institution which functioned as interlocutor and supporter of the mayor's offices, namely the Nicaraguan Institute for Municipal Development (INIFOM).

However, the issue of decentralisation as a specific issue was not yet being positioned on the public and political agenda. Rather, there were a number of fragmented and disconnected activities which attempted to reach local level in a country that was only just beginning to recover from the ravages of war, still in transition and experiencing the aforementioned wide gap between the central and local governments. Nor was poverty reduction or the demand for new rights brought up as a demand or claim. It was therefore not an objective in any public policy linked to decentralisation.

The existing demands and claims were channelled mainly by trade associations and unions. These were historically a product of the revolution, and thus continued under Sandinista hegemony, vertical and centralised. The other players were irregular groups who wanted compensatory benefits as a reward for their peaceable reinsertion to society and their territories of origin.

This period reveals an important feature in the make-up of these actors, as these began to change compared to those in the immediately post-war period in which the transition began and that by 1995 was becoming more clearly delineated.

At the beginning of the centre-right administration of President Violeta Barrios de Chamorro, the Sandinista National Liberation Front (FSLN), the army, the unions and to a lesser degree the irregular groups were the main actors. However, a new actor came on the scene: the international donor community, which brought with it not only projects and financial contributions, but also became a political interlocutor, supporting government programmes under certain conditionalities. In many parts of the country, cooperation projects appeared as the only manifestation of the central government's public presence.

This generated a scheme of relations which led the various actors to agree or disagree on matters of public policies and programmes. This was expressed as a coalition of interests which generated support for policies, sometimes with internal support and in other situations with the support of only the donor community, acting alone and without political or democratic consensus.

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[1] This ministry no longer exists.

An example of this concerns the process of stabilization and economic adjustment, with its concomitant reduction of the private sector, privatizations and liberal reform of the financial sector. It triangulated conditionalities, policy negotiations among powerful lobbies and support from donors, but did not enjoy majority support nor was it based on democratically debated legislation. In practice, the government ruled by decree and what legislation came into place did so after the reforms had been implemented. In other spheres, the bilateral relations between the government of Nicaragua and the donor community were the essential hub for the generation and implementation of policies.

When this period drew to a close, sometime around 1995, the State modernization programme, of which decentralisation formed a part, appeared as a component of this bilateral relation with no political or social preparation. The donor community involved itself fully in a division of labour which was to have consequences.

In general terms, it can be said that multilateral cooperation concentrated on the large structural adjustment programmes and reform of the State, while bilateral cooperation and the United Nations (UN) agencies became involved in sectoral programmes. From the outset, decentralisation found itself in a limbo between a comprehensive State reform programme and its sectoral dynamic, which was to concentrate on municipalisation as a means of increasing and reinforcing the fabric of local institutionality as concerned services management.

During the subsequent periods (1996-2001 and 2002-2006) new tendencies emerged. The two periods may in fact be considered a single long stage in which expectations regarding decentralisation grew and additional actors joined the scene and established new relations among them. However, as is shown further on in this text, many of these expectations did not have a solid foundation in reality.

At the beginning of the 1996-2001 period the country had already been pacified, the situation was essentially stable and economic and institutional reforms were in full swing.

Despite the recurrent political crisis over positions of power in the State, which consumed a considerable portion of everyone's political energies, municipalisation advanced purposefully as the main expression of decentralization. Emphasis was placed on legislation, the strengthening of management capacity and budget transfers to the municipalities. Furthermore, these matters were easily convertible to specific projects, through which aid agencies found an easy and effective way to channel resources.

Among the various stakeholders, political parties had little real influence on the process of preparing the strategic discussion on decentralization, while the traditional social organizations (trade associations and unions) continued centralized and sought to mediate their demands through party politics and the government.

However, there were also changes in the makeup of the stakeholders. As an outcome of the social differentiation which resulted from structural adjustment and the reform of the public sector, the significant levels of poverty and the absence of programmes with a large-scale impact in the territories, traditional organizations were weakened, and the hegemonic capacity of the political parties as concerns social issues became fragmented. This is particularly true of the Sandinista Front, which was in effect the spinal column of the union, rural and neighbourhood social organizations which had emerged during the eighties. Its control did not disappear entirely, but became more concentrated at the superstructure level.

During these years, the number of non-governmental organizations (NGOs) tripled and national networks and local associations appeared which had their origins in the revolutionary decade and now sought to anchor themselves more locally. Feminist movements grew and became more visible, as did pro-autonomy movements on the Caribbean Coast and groups whose concerns were the environment, child rights and youth.

Furthermore, the demands for financial resources from mayors, associations of municipalities, and the projects promoted by the donor community which generated a community work dynamic, all joined the aforementioned currents. Taken together, this situation gave rise to a scenario sensitive to a form of decentralisation which would alleviate poverty, promote local development and the redistribution of power by means of participation with decision-making capacity.

In some way, the donor community upheld this dynamic, which contributed to encourage the debate, although at a relatively small scale when compared to the funds allocated to centralized public programmes. Proposals for public policies flourished, as did proposals and strategies for more comprehensive and thoroughgoing decentralization, one of which was the National Decentralization Committee, nationwide consultations on policy and finally the publication in late 2006 of a document ambitiously titled "National Decentralization and Local Development Strategy" by the outgoing government.

In this new scenario, driven from below and favouring a more diversified, autonomous, local and technically specialized civil society, there were real discussions on the perspectives for decentralisation and what it might look like. However, during the second of these periods (2001 to 2006) the movement ran into significant bottlenecks and critical junctures became evident.

Thus for instance when the effort was made to move from the decentralisation pillar which focused on municipalism and the transfer of responsibilities to the municipalities, accompanied by the financial means with which to manage their needs, to policies linked with the redistribution of power and the development model, the process was blocked. At this point the entire effort stagnated and the fundamental underlying differences came to the fore.

There were several aspects which underscored this point. Despite the new developments at CSOs specialising in decentralisation, such as the National Network for Democracy and Local Development (RNDDL), they never became social movements capable of promoting a more thoroughgoing and comprehensive type of decentralisation, either at locally or nationwide. The political elites anchored in the two-party system born of the political power-sharing agreement between the PLC and the FSLN known as the "pact", hindered processes which in any way affected their arrangements and the centralism of the national government as resource distributor, often in a clientilist manner and as part of corrupt circuits.

In practice, therefore, it proved impossible to put the participatory models under discussion into practice as part of a new institutionality, notwithstanding legislation that validated them. Despite an ambitious design, flowchart included, which was prepared in 2006, it never got beyond the piece of paper it was written on.

The changes made to the Electoral Law[2] bore the imprint of the political leadership committed to a closed two-party system, and privileged the national level and centralism. The original idea had

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[2] In these reforms, the possibility of running as a candidate independent of any political party was eliminated, barriers to forming new parties were introduced to the advantage of already existing large parties with

been to foster a political life anchored in local problems and realities, rather than the filter and selection operated by elites in the capital, Managua. With the legal reforms, any possibility of establishing a real political life capable of fostering local development from its own base was aborted.

At the same time, it is also true that the national consensus-reaching spaces and the many national committees lacked any real power to negotiate the inclusion of territorial and local dynamics.

Further, the different entities working to coordinate State reform, such as the Public Administration Reform Committee (CERAP), the Public Administration Office (OAP) and the Public Sector Reform Coordinating Unit (UCRESEP), were never able to formulate a clear State decentralization policy strong enough to withstand the political cycle based on a constituent body resting on strong consensus or significant political support.

The donor community, which had entirely subsidized the decentralization process, soon also found itself in a cul-de-sac.[3]

The most serious aspect in all of this was that not even important policies insisted upon by international cooperation and multilateral agencies, such as the Poverty Reduction Strategy (PRS), 2001) and soon later the National Development Strategy (NDS), were able at any level to overlap with the decentralization process. For their part, the local development strategies the CSOs attempted to materialise were too weak both technically and politically, and lacked the power to negotiate resources with the central government.

Thus the process gradually reached a point beyond which it could not advance, and it was effectively blocked insofar as the deconcentration in health, education and municipalisation began to show signs of depletion along two lines.

On the one hand, its administrative rationality was not producing results (coverage, quality of services). On the other, society and the municipalities found themselves overwhelmed and could not take on any more obligations. To this day there continue to be real problems regarding coverage (in health, morbidity and maternal mortality; in education, coverage, access and retention).

The policy of adding on activities to the point of saturation and beyond during different moments of the process on occasion derived simply from the haphazard availability and presence of external projects, but soon began to increase the negative costs in terms of impact, coherence and territorial and institutional fragmentation. At this point, it became evident the process of decentralization lacked a clear, strong political and institutional leadership.

The hypothesis may be put forth that in Nicaragua, of the policies being considered to be part of decentralisation, such as deconcentration, delegation and the redistribution of power and resources and which concern political, institutional, administrative and territorial aspects, those aspects were

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nationwide structures and the closed list voting system was reaffirmed instead of allowing citizens to vote for their representatives individually, and so on.

[3] During the nineties and up until the year 2004, a total of 465.5 million US dollars had been invested in the various modalities of cooperation with the decentralization process. This includes targeted sectoral funds, but even without these, the sums spent would be significant (USD 141 million, without counting budget transfers to mayor's offices and money from NGOs). For the period from 2002 to 2009 it is estimated some USD 238 million were used. This is an important but insufficiently researched subject, taking into account that Nicaragua is one of the highest per capita aid recipients in the world.

selected which had least weight in a possible reconfiguration of the State and its relation to the subnational and territorial levels, as well as the government's relation to society.

However, such a hypothesis contains a paradox, namely that the limitations of the decentralization process and its restricted approach coexisted with an increase in expectations, the preparation of proposals and the diversification and specialisation of new actors. This situation created a new awareness and an accumulation of knowledge which before then had not been available.

And thus decentralization became, above all for those who promoted the most comprehensive version,[4] a refuge from all disappointments and frustrations generated by the national political context and the fragility of public policies.

Poverty is generalized and cannot be reduced? Local and endogenous development will take care of it. The two-party system closes spaces and governance is deficient? Local governance and citizen participation will generate new conditions. Policies are poor, politicians don't listen? Local citizen agendas, local development committees will channel people's demands. The efficiency and efficacy of public projects is low? Local investment is of superior quality and impact. Public resources are being wasted, there is corruption? More transfers to the municipalities are needed, along with more social audits and local transparency.

In some ways, these antinomies reflected the question of how to build a national State or remain in the gap between said State and society in the territory. This was the strategic problem decentralization was called upon to solve.

By the year 2006, the balance in relation to these issues shows that decentralisation as a process led to an improvement in the technical capacities at the mayor's offices and the gradual increase of competences and monetary transfers.

In other, more carefully weighted versions, it was thought that, given the point of departure, no more than this was to be expected and that within its limitations this municipalist version of decentralisation represented, after all, a democratization of power and municipal autonomy.

Without intending to deny certain objective, albeit limited advances, it is the thesis of this consultant that decentralization in Nicaragua did not effectively imply a redistribution of power related to some new type of State and form of government. In essence, the more aggressive efforts to expand rights and promote antipoverty policies were blocked and linked up with centralised, clientilist mechanisms which depend upon political loyalty to stakeholders at the centre of administrative and political power.

It must also be pointed out, however, that the increase in expectations and the redefinition of actors generated an objective tendency toward empowerment and increased capacity to put forth proposals and establish networks. At certain points in time there was considerable political visibility.

That said, it proved impossible to forge a correlation of forces capable of furthering the process based on its capacity. In the next section, it will be shown how the fundamental parameters of the situation shifted when the Sandinista government took office in early 2007.

Before proceeding, however, it is worth summarizing the main milestones of the decentralization process in Nicaragua. As can be seen in the table below, the dynamic of the process reflects the

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[4] Here are meant certain NGOs, grassroots organizations and some mayors.

accumulation of actions at different points in time. This sequence would tend to indicate some degree of continuity, but in reality the tendency was never constant.[5]

MILESTONES OF DECENTRALIZATION	
Year	**Main Decentralization Events**
1990	The Nicaraguan Municipal Development Institute (INIFOM) is created.
1995	The Public Administration Reform Committee (CERAP) is created. A programme to reform the State gets underway. Decentralisation is mentioned.
1995	Law of Municipalities and Municipal Competencies is passed.
1995	Partial reforms to the Constitution. One of these is article 77, which introduces the principle of State subsidiarity.
1997	The Law of Municipalities and Municipal Competencies is reformed.
1997	The National Council for Sustainable Development is created.
1999	The National Council for Social and Economic Planning is created.
2000	The Organic Law for the Nicaraguan Municipal Development Institute (INIFOM) is passed.
2001	The Public Sector Reform Unit (UCRESEP) is created and replaces CERAP.
2001	The Municipal Budget Law is passed.
2001	A Poverty Reduction Strategy Paper (PRSP) is made public.
2003	The Municipal Transfers Law is passed.
2003	The Citizen Participation Law is passed.
2003	A Decentralization Sectoral Committee is established, and a Guidance Document is prepared.
2004	A Public Administration Office is created and replaces UCRESEP.
2004	The Municipal Careers Law is passed.
2006	The National and Local Development Plan is presented.
2006	A National Development, Decentralization and Local Development Plan is published.
2007	Change of government. The new authorities begin a review of the decentralization sectoral policy and promote the creation of Citizen Power Committees.

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[5] In some cases there was local coordination and mobilization. On the Caribbean Coast these cycles were also recurrent, but always dissipated over time.

II. DECENTRALIZATION UNDER THE CURRENT ADMINISTRATION (2007-2011)

After sixteen years in formal opposition, although it was an active participant in all important decisions made and reforms undertaken and held significant positions of power at institutional level, the Sandinista National Liberation Front (FSLN) returned to office. This led to a swift and profound change in the political context surrounding decentralization, which found itself called into question as a matter of strategy. There are three aspects worth highlighting in this context.

The FSLN returned to power in a complex way, as it won the elections with only a relative majority and the definitive results were never officially published. But it arrived at a moment when the PLC, its partner in the two-party scheme, was very much weakened by accusations of corruption among its leadership, which led to an unbridgeable division among them.

Conditions for monopolizing the State tilted strongly in favour of the Sandinistas. In addition to controlling the executive branch, the FSLN captured majorities in the Supreme Court of Justice, the Supreme Electoral Council, and the College of Comptroller's General. It also exercised a strong influence in the National Assembly (Parliament). Thus the party is institutionally shielded and the different branches of government are prone to legalizing its actions, whether these are discretionary, run counter to the law, or indeed are legal.

Given this situation, decentralization became a bit of a rare bird, what with its high expectations, the diversity of actors and the potentially real danger it represented, as its existence requires an institutionality of its own, difficult to control by the centralised scheme and hierarchical party lines running from the Secretariat of the Presidency to the mayor's offices.

The second aspect is that over time the FSLN became a party with a personalised leadership and no internal institutionality. The party apparatus has the capacity to intervene and cover the national territory, but depends upon a small circle around its Secretary General, who is also the President of Nicaragua. The party is no longer a bottom-up political interlocutor, and the different positions and opinions are carefully channelled through the hierarchy in order to obtain an endorsement from the leadership. Publicly, at least, it is not possible to disagree.

The Sandinista base and its local leaders do not require an institutional representative (mayor, councillors) in order to channel demands to the top, as the vertical party structure replaces this. On the other hand, it is enough for them to occupy the intermediate and local space in order to be able to administrate and exercise control downward.[6]

In this setting the relation with mayors and territorial organizations and spaces found itself caught up in a context of recentralization rather than decentralization of power.

The leadership of the Sandinista Front transferred the way in which it conducted the party to the State, resulting in extreme centralization and a form of parallel government which blurs the lines between the public, the party and the private. Parallel structures were created for the administration

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[6] Several studies corroborate this description, in particular the research carried out on participatory processes and the Citizen Power Councils by the RNDDL. Other recent research includes *"Fuerza, proyecto, palabra y pueblo. Circuito de representación en consejos de desarrollo municipal en América Latina. Nicaragua, México, Venezuela, Brasil."* Gisela Zaremberg, FLACSO, Mexico, 2011; see also "Nicaragua: Consejos de Poder Ciudadano y gestión pública en Nicaragua". Roberto Stuart. CEAP, 2011.

of public funds, to exercise territorial control and establish new clientilist hierarchical lines for gaining access to the benefits issuing from public programmes. The nation's institutions qua superstructure were reduced to a mere shell, while local institutionality found itself up against a wall.

The creation of the local Citizen Power Councils (CPC) by the incoming administration when it took office in 2007, which were under the centralized control of the party leadership, led to contradictions with institutional entities in the territory such as the Municipal Development Committees and the Provincial Development Committees, as well as the participatory processes surrounding these.

The CPC operate at three levels. They seek to exclusively represent the population; to channel government programme resources; and to exhibit a privileged relationship with the government. Its forced implantation in the territory gradually generated a process of substitution of the previously existing organizations, although this has not been automatic. The CPC have been more or less able to impose themselves, depending upon the local correlation of forces. Marked from the outset with the stamp of subordination to the party in government, they could not base themselves on genuine local demand. This had an effect upon the degree to which they were recognized and accepted by the population.

This is a critical and indeed central point. While it is true that national conditions could on occasion roll back decentralisation, the existence of the municipal and provincial development committees in fact guaranteed a political and social space in which to keep alive the practice and reflection on a more thoroughgoing and democratic decentralisation. In addition, they constituted – and this too is important – a space in which local networks and organizations could interact. These incipient spaces are in any case pluralistic and embryonic manifestations of a decentralised institutionality, and had a fundamental raison d'être.

These local spaces were necessary because the State was weak and none of the parties in power during the 16 years from 1990 to 2006 had a strong political apparatus capable of sufficient territorial coverage.

The need for government as concerns dialogue with society, in a country with a damaged institutionality generated spaces which allowed for an accumulation of political capital around the government-society relationship. The autonomous CSOs inserted themselves in that space, while those with a clearer political affiliation came and went depending upon convenience.[7]

This accumulation of political capital evolved over time, a process described very briefly in what follows.

In a period of seventeen years some 78 bodies were created to foster relations between the government and society. Of these, 23 were national councils, to which must be added ten board councils, 33 national commissions, one national committee and eleven territorial entities, including two regional councils, 153 municipal development councils and 17 provincial development councils.

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[7] This was the case of the Sandinista associations or NGOs. Those who lacked political backing sought to institutionalise participatory spaces, aware of the fact they if they disappeared, those represented by them would be left in the cold and without interlocutors.

Nicaraguan society had painstakingly taken steps toward a variegated and surprising process of civil society diversification. Traditionally, the two classical groups had been the business community, grouped in eleven chambers, and some 180,031 unionized workers affiliated to four confederations and 308 trade associations. Now came 1,172 development-oriented organizations, of which 546 were active in fifteen national networks and 47 indigenous associations, not to mention any number of local associations, as well as feminist, youth and religious groups.

This evolution was surprising, as it occurred despite growth in the informal sector, migration, poverty and the drop in potential for mobilization as expressed by the lessening amount of conflicts and vindicatory movements after about 1994. The social fabric however continued its quiet process of extension and densification.[8] It was a new social fabric, focused on survival in the context of an economic and political model which was highly concentrated and exclusive.

This situation allows for formulating a singular hypothesis, namely that despite the obstacles typical of a poor society, nuclei of social organization were formed which had their own political and organizational capital.

The creation of all these entities, taken together with the densification of the social fabric held 63 large meetings which offered the opportunity to share experiences of dialogue and consensus-reaching and gave life to the architecture created between the government and society.[9]

This constituted clear evidence there was potential for accumulating political capital on which to base a modernising change in Nicaragua, and that decentralisation could be part of this.

The incoming Sandinista government, however, has other characteristics, in particular a strong political apparatus. It operates by using the apparatus and uses the formal institutionality it controls to lend its actions legality. This way of governing clashed with the process of establishing a more open institutionality and autonomous civil society.

The change of context led to a struggle for power in the territory. Decentralisation has since stagnated and been politically damaged, in part also by the 2008 municipal elections, which were marred by massive fraud. This does not mean that the municipalities don't manage their affairs, don't receive financial transfers from the state, or don't carry out their mandates. All this continues to be done – but now within the context of a hierarchical and centralised structure in which the dynamics of decentralisation has been lost. INIFOM recovered its leading role as government institution in support of the mayor's offices, but within the new tendency. Finally, expectations plummeted, and the space for the diversity of actors which sought to empower themselves closed down.

The redistribution of power has thus been aborted, the acquisition of rights is stagnated, the struggle against poverty conditioned and empowerment controlled. The success of the attack on decentralisation demonstrated there was no correlation between the actual strength of those favouring decentralisation and the aim they sought to reach. Nor was there political support for their effort.

The government even proceeded to increase its conditioning of funds coming from foreign cooperation, with the deliberate aim of weakening the autonomous or critical groups.

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[8] It must be noted here that the donor community played an important role in this evolutionary process.

[9] For a complete analysis of this process, see "La gobernabilidad al servicio de las reformas." (*Governance at the Service of the Reforms*", Centro de Investigación de las Comunicaciones (CINCO), Managua, 2005.

In the words of an advisor to the RNDDL:[10] *"Decentralization is stagnated; it can even be said it has been rolled back, at least the type of decentralisation which was being promoted in the context of State reform. Two samples: a) The interruption of the Decentralization Strategy left in place by [former President] Bolaños. The National Human Development Plan of the incoming government stated three years ago that a new strategy was being prepared, but so far this has not been the case. B) The National Tax Transfer Commission which allocates the 10% for the municipalities that comes out of the national budget hasn't met since 2006. The allocation is made by INIFOM, in a centralized manner.*

Current approach: zero political decentralizations, some sectoral decentralisation in the health and education sectors, and some by way of the transfer of funds to the mayor's offices. But a number of liberal mayors have complained that the population variable in the formula used to allocate these funds is being manipulated in such a way that these municipalities get less while FSLN municipalities get more.

I think we've returned to the times when the central government controlled everything, only now this is done through the party, the FSLN, with the justification that in this way the response to the population's demands is most effective. The mayor's offices – or at least those with FSLN mayors – have in effect become branches of the central government. What's more, I would say they are colonies. INIFOM plays the role of political commissary, FISE is the organization charged with channelling the government's investment projects."

For his part, the president of the Population, Development and Municipalities Committee in the National Assembly, deputy Agustín Jarquín Anaya, noted that *"the process decentralisation has frozen up during the administration of President Daniel Ortega. This adds to the already existing political polarization and hampers reaching the consensus needed for drawing up a long-term development plan."*

Mr. Jarquín went on to say that *"in Nicaragua there has been progress as concerns transfers from the national budget to the mayor's offices, as well as the demarcation and titling of indigenous communities, which to date has meant over 10,000 km², close to 8% of the nation's territory. Notwithstanding the foregoing, decentralisation as such has come to a halt, affected by the deterioration in citizen participation because of arguments over the Citizen Power Cabinets, which are organised by the government, and the institutions established by the Citizen Participation Law and the Law of Municipalities."*

"There is a debate around what is established in the Law of Municipalities, the municipal and provincial development councils, and the Citizen Power Councils or Citizen Power Cabinets. There is a controversy the aim of which is to deepen citizen participation, but in some situations these have had a partisan component. Ultimately, this creates divisions in the territory that are not helpful."[11]

Under conditions such as those described above, the terms of the debate over the relevance of the decentralization processes change in nature.

In the first place, there has been a recentralization of the political conflict in which the territory and local actors are sucked in by determinant factors which originate at the top, or national level.

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[10] Silvio Prado, in response to a questionnaire sent by the author of this study.
[11] El Nuevo Diario, 25 July 2011.

Secondly, this recentralization is not only about underscoring what was already happening, but rather implies the closing down of local spaces and a greater degree of verticalism in politics. Finally, the creation of parallel structures under the control of a political party generates ways and practices of distributing resources from the centre to the local level which run counter to any idea of decentralization and local empowerment.

There can be no doubt that this development changes the coordinates in which the process has developed thus far, but it does not change the fundamental problems which remain to be solved. The conditions for finding solutions are changed, and find themselves limited from the point of view of both contents and possibilities. Put otherwise, the issue of decentralisation can no longer be discussed on the terms it has been until recently.

In terms of politics and expectations, there has been a sea change. The political outcomes may perhaps unfetter or continue circumscribing the process, but it is evident that decentralization has been set aside.

III. Relevance of the approaches to decentralization in light of the current situation

In its early stages, decentralisation was conceived of as a territorial resource of the central government (the eighties) and later as an instrument of State reform (in the nineties, in its reduction-of-the-State version). Both processes were marked by a top-down logic and spread from the centre to the periphery of public administration. Gradually, however, it was accompanied by municipalisation and a growing pressure for a form of decentralisation that would incorporate a bottom-up dynamics on social, economic and political matters, and that these were to be expressed in demands for local development, participation and more local power.

Basically, there existed two notions of decentralisation, although with different nuances and emphases, depending on the actors. One was keyed to articulating the decentralisation of the State through a process of "municipalisation" which was to be as autonomous as possible in both financial terms and as regards service delivery.

This point of view evolved in a context of the instrumental and functional logic of the need to reduce the State and bring down the public deficit. The expected result was to be a small State, acting as facilitator and surrounded by efficient and financially self-sustaining municipalities. The other aspects of decentralisation (local development and diversity, both economic and of the actors, social and political participation and the necessary institutional designs), would later fall into place by their own weight.

The other vision regarding decentralisation conceived of it as a process of building a new public administration capable of redesigning institutionality and pointing in the direction of a new type of relation between the State and the intermediary and local entities. The idea was to guarantee the country's spatial coherence from the bottom up, implement participatory democracy and put into practice an equitable and solidary national development strategy, based on local development plans but articulated in national terms.

The expected results were to be a State capable of guiding, articulating and satisfying the national mission as concerns the public interest, equity, redistribution of resources, territorial coherence and solidarity among the parties involved. This carried implicit the need for an adequate institutional design which connected the municipalities and local development strategies with national and regional processes for allocating resources and drafting policies. This in turn presupposed a clear articulation at all levels of responsibility, institutional missions, resources and actions.

At least at discourse level, decentralisation fluctuated among these two positions, with the former being more functional and therefore put into practice with greater frequency.

However, as decentralisation was begun and animated by diverging demands and approaches, it found itself submitted to constant tensions by the deconcentration / decentralisation of the State, municipalisation and local development.

Each of these components had its own strategies, policies and actors, which while certainly overlapping in some areas of complementarity and articulation, are not the same and cannot be merged into one.

The handling of these tensions in a context of unrelenting short-sightedness and a diversity of projects and initiatives, hampered the design of a more systemic strategy capable of articulating each of the components of decentralisation in its diversity and specificity. New demands and tensions were added on over time, such as the poverty reduction strategy and the local competitiveness programmes.

The lack of definition as concerns the aims of decentralisation and the absence of a viable joint (systemic) strategy, an appropriate institutional design, a solid political commitment to back it up, a clear and well-identified leadership, greater coherence and complementarity in the interaction between government, social actors and intermediate and cooperation institutions, taken together, undermined the process.

In addition, and despite their objective awareness of this situation, the actors took refuge in a purported consensus to promote decentralisation. This served as a smokescreen for a long time, above all as long as the funds from the donor community flowed freely in the name of decentralisation.

This made it possible to skirt conflict in terms of positions and practices, in order to avoid triggering an open debate which would prematurely reveal the disagreements or divergence of opinion and which would be witnessed with interest by the donor community and multilateral institutions, while pondering possible consequences (i.e. cutting off funds).

Over time this path of diffuse consensus generated political and strategic paralysis as concerns decisions and policies concerning the process as a whole, while said process was accommodated to the de facto actions as channelled by projects and the segmented State reform of certain basic services, such as health and education. This set of circumstances ended up being the only and true driving force behind the activities, which were based on the existence of funds from the donor community.

The situation could have been clarified in the debate around policy. In fact, the political and strategic proposal on local development and decentralisation (2006) was to be the last effort to put this problem on the table. But as has been described, the change in government in early 2007 aborted the effort.

In this setting, there are three issues which appear to be key in the discussion on the relevance of the approaches to decentralisation. These are obviously related, but also have their specific aspects when discussing the approaches taken vis-à-vis rights, development and empowerment.

These issues are the reform of the State, the participatory models and local development under conditions of an open economy and market.[12] It is at the intersection of these three that it becomes possible to debate whether decentralisation is or not a process which is conducive to a more democratic society, with rights expanding and quality institutions which ensure these rights are upheld, under conditions for sustainable development leading to the reduction of poverty or a more equitable distribution of wealth, as the case may be.

Each society must, in one way or another, face these issues, within its setting and depending upon how the matter of decentralisation is brought forth.

A critical issue: what State reform and what democratisation?

In Nicaragua there are three historical aspects which must be taken into account. The first of these is that the patrimonial State of an authoritarian regime was destroyed in 1979, and its place was taken by a centralized power structure whose institutionality, legality and relationship with society was built in a situation of emergency, conflict and discretionary exclusion. The political normalization after the 1990 elections, at least in the shape of compliance with a long electoral cycle and the end of the armed conflict, opened up a process of reform of the State, which was in part collapsed and needed to be reduced and institutionalised.

This could be done through an approach adapted to local conditions or based on the manuals imported by conditionality. In Nicaraguan the State was subjected to a process of reform-modernization based on the criteria of reduction, privatization, subsidiarity and technical rationality derived from the dominant model promoted by the international organizations.[13]

If this was or not appropriate given Nicaraguan conditions was not much discussed. No proposals were made regarding what type of State was needed in relation to the existing one, administratively damaged, politically unfinished and lacking national coverage. Thus the State in Nicaragua was reformed based on the appearance of a standard State in a more developed society.[14]

Decentralisation appeared as part of this reform in a society which lacked the needed underpinnings, with weak municipalities, weak local social fabric and fragmented, disconnected territories.

At the top, meaning the level of the central State, the reality was one of low per capita social spending, low transfers to the municipalities, insufficient fiscal maturity and a marked territorial inequality, not to mention cultural and political factors in the territories and along the borders.

But there wasn't much room for manoeuvre, either above or below. It was the donor community which made up for all the deficiencies – financial, administrative and even strategic, which is why one its priorities when providing support was in the sphere of privatization. The issue of how to build a national State, necessary for democracy and development, was not discussed. Malleable as it was, institutionality remained a matter of functional adaptation to the will of actors with economic and political power, but with no real interest in deciding on issues crucial to a society.

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[12] For reasons of space, not all these issues can be developed exhaustively, although an effort will be made to identify how pertinent they are in the case of Nicaragua, as in the international debate some of these aspects are taken for granted.

[13] This process got underway formally in 1995, but the reform strategy as such started as early as 1991, with the reduction of the State and the privatization of its assets.

[14] The assessment of the State in Nicaragua prepared by AECI and FLACSO in 2007, and in which this author participated, bears witness to this reality.

THE PROFILE OF STATE REFORM IN NICARAGUA
1990-1994: Policy-setting, planning, administration, human resources **Reduction of the public deficit** **Reduction of employees** **Withdrawal of the State** **Privatization**
1995-2005 Institutional restructuring **Civil service reform** **Use of IT technology in public administration** **Evaluation of services** **Privatization** **Decentralization**
Source: the consultant

Under these conditions, the State was certainly reduced and privatised as a resource-distributing agency,[15] but the output was not a more efficient, legitimate State, with the capacity to integrate the territory. Decentralisation, without ever having occupied a strategic place in this scheme, spent twenty years working on the first rung on the ladder, namely strengthening the municipalities. While progress was certainly made as concerns administrative systems, even here the results are not beyond dispute.[16]

Thus the fundamental question remains open, namely, would it have been better to create a classic national State from the top down or a decentralised State? What was the dominant approach? What place did decentralization take in this approach?

The 2006 Decentralisation and Local Development Law established a set of criteria and assumptions in relation to the foregoing.

As concerns State reform, it maintained national criteria which were to guide it, as follows:

NATIONAL CRITERIA
The State is responsible for the development of the country
The State should facilitate private investment
Subsidiarity
National consensus-reaching system
National alliance for development
Financial support instruments
Source: Prepared by the consultant, based on the Decentralisation and Local Development Law passed in 2006. [17]

These criteria, however, did not coincide with a comprehensive proposal which would include decentralisation as a pillar in the reform of the State. Thus decentralisation was left as a conditioned complement.

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[15] In particular the health and education sectors.

[16] Especially taking into account high staff turnover, deficiencies regarding compliance with regulations, and the interminable "transfer to local government projects", which existed mainly for the purpose of perpetuating themselves.

[17] The table should be read vertically, given there is no horizontal correspondence between the criteria. It is intended merely as a methical arrangement reflecting the content of the Law.

DECENTRALIZATION CRITERIA
Decentralization is a cross-cutting issue
Decentralization is part of the modernization of the State
Decentralization concentrates on the municipalities
Decentralization is valued not for its political potential but for its potential to promote development
Physical or land use planning
Empowerment, social control, participatory management.
Source: Prepared by the consultant, based on the Decentralisation and Local Development Law passed in 2006. [18]

In essence, the proposal contained the basic of the conservative recipe, accompanied by expectations for participation and decentralization, while negating or ignoring its political implications and potential for development from the local level on up.

Further, it remained vague as concerns the type of State which was to emerge from the need for its reform. Concerning decentralization, it was to continue always as a "cross-cutting" issue, which was a way of placing it at the margins of the core of State reform.

The most audacious aspect of the Law was to recognize that the Poverty Reduction Strategy was not making progress, that nationwide implementation was needed, and that the decentralisation policy needed a strategy. But at bottom, all it recognized was that the territorial allocation of centralized programmes was ineffective and that decentralization was a useful complement.

The Law was incapable of solving the problem of the relation between the situation of the State and the aims of decentralization. However, the relation between these aspects is strategic, as can be seen in the next table, according to at least three possible scenarios.[19]

STATE CRISIS APPROACH	POLICY FOCUS ON DECENTRALIZATION	RESULTS OF POLICY
Bloated State Ineffective	Shrinkage Municipalisation Facilitation of the market	Fragmentation Privatization Subsidiarity
National State Unfinished	Institutional penetration Territorial outreach Networking the territory	Connections Decentralization Delocalization
State in structural crisis or non-viable	Comprehensive reorganization Multiple centres Micro-regions	Territorial contracts Institutional redesign Endogenous development
Source: the consultant		

In the Nicaraguan case, the situation of the State combined aspects of an unfinished national State with aspects of a central State undergoing a structural crisis.

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[18] The table should be read vertically, given there is no horizontal correspondence between the criteria. It is intended merely as a methical arrangement reflecting the content of the Law.
[19] Needless to say, these scenarios are not chemically pure, but the methodological arrangement of their main features serves to delimit the problem.

However, the policy lines as regards reform reflected the vision of a large and ineffective State, while the aim of official decentralization rested on the underlying hypothesis of an unfinished national State which merely needed completion.

At the opposite end was the thesis favouring a more thoroughgoing and comprehensive decentralization, itself based on an underlying vision of a non-viable central State which needed to be restructured in its entirety. It is for this reason that the expectations and policy proposals suffered throughout from a mistaken perception.

There can be no doubt that the process was never able to overcome its limitations. Under the prevailing conditions, the potential for decentralization remained ever undefined in its political, social and economic dimensions.

The participatory model

In every society, it is the participatory models which determine the possibilities and limitations in which the social groups move about and promote their interests. The entire matter of the empowerment of social organizations plays out there. In its positive version, participation contributes to democracy, a more egalitarian distribution of the benefits of development, and political stability. In its negative version, participation is the carrier of uncontrolled pressures, which may increase populism and lack of governance.[20]

In any case, the participatory models constitute a variable of adjustment in the political system and power structures. To open or close the valve of participation is a political exercise more critical than the metaphor may suggest.

When Nicaraguan society emerged from the conflict in the early nineties, it went from a centralized participatory model, vertical and articulated around a leading political party, toward a conventional democracy. This once again modified the relation between the State, government and society, and reconfigured themselves in a scheme based on the separation of government from the branches of State and armed forces.

The political parties had their political arena in the National Assembly. The social organizations which emerged during the Sandinista decade in the eighties faced the loss of their earlier nexus to the State and government, and were reduced only to their link with the party. All of Nicaraguan society, within and beyond the boundaries of *sandinismo*, found it necessary to embark upon an unprecedented and collective learning experience of building organizations, independence and identity, vis-à-vis a new relationship with national and local institutionality. This made it more pressing to create original spaces for local and national participation, in which new demands for representation and mediation emerged.

This learning process went on for twenty years. A new awareness was generated, new organizations appeared, and a participatory scaffolding was erected, more plural and diversified. As a consequence, a new and more acute awareness of rights emerged and autonomy and pluralism increased, in tandem with classical forms of organizations – associative, corporative and through unions.

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[20] These "versions" range across the spectrum from the left to the right, with varying configurations and models.

However, contrary to what might be concluded from the foregoing, democracy and participation did not grow in the same proportion, as a consequence of the political process.

In fact, and as noted earlier, the fragility of the institutions as well as the gap between the State, the territory, the government and society, converged to stimulate the creation of plural spaces at different levels, which continuously clashed with the reality of the existing forms of government and power structures.

This generated the expectation that participation would give rise to an intensely consensual model, in which decentralization might play a fundamental role. Put otherwise, the participatory model included decentralization as a political solution, vis-à-vis centralization, exclusionary forms of governance and the political power-sharing agreement, and not the other way around.

This is extremely important to understand, because it linked decentralization not only downward to the local structures, but also projected it upwards, toward an effort to link up with intermediate and central decision-making entities.

The fundamental issue, as occurs with all participatory processes, was how said process proposed to organize the channelling of demands into the decision-making process, how these would be filtered, how decisions were taken and at what institutional level.

The mismatch between the forces seeking a participatory model of accompaniment derived from the standard structural adjustment and economic and social reforms, on the one hand, and the emerging forces positioned partially in the local processes but with one foot at the national level, on the other, soon became evident.

This somewhat paradoxical situation led to the coexistence of what is known as an additive participatory process,[21] generated by the need for reform programmes and the expectations aroused by the intensely consensual model (see table below).

It must not be overlooked that Nicaragua was put through one of the most drastic reform programmes anywhere, and in five years was forced to achieve what others took ten or twenty years to do.

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[21] Basically this is a model of consultation and coordination between the government and social actors, for the purpose of implementing policy, programmes and projects decided upon under conditionalities which were the result of central government decisions, with no consideration for their social costs or popular claims and demands.

ADDITIVE REFORM MODEL		
ADJUSTMENT AND REFORM PROGRAMMES	**EFFECTS**	**ADDITIVE FUNCTIONAL PARTICIPATION**
Adjustment and social impact	Poverty	Social emergency funds, targeted poverty reduction plans
Conditionality of programmes	Loss of legitimacy by the State; standard programs; loss of sovereignty	Consensus based on consultations
Reduction and reform of the State	Loss of coverage; corruption	*Decentralization, municipalisation, local development*
Increasing social and political inequality	*Anomie, violence, disintegration*	*Projects for the poor, NGOs*
Deregulation, privatization, concentration of reforms with no equitable development strategy	Informal sector economy, precariousness, marginalization	Microenterprises, unconventional credits, temporary employment programmes

Source: the consultant. Published earlier in <u>Governance: Between Democracy and the Market</u>. 2002.

However, the expectation there would be a more intensely participatory process, given there had been an experience based on several spaces for consultation and national debate, such as the two rounds of national consensus-reaching, the Social Council, the National Development Council and at least twelve national committees. At local level, the municipal, provincial and regional (Caribbean Coast) committees had become widespread. Between 1992 and 2006 the participatory model was torn between the additive functional model and the intense consensual model.

The attempt to institutionalise the functional model between 2002 and 2006 had the virtue of outlining and making more evident where the boundaries and contradictions lay on the three key issues: the entry of demands, their institutional level and their influence upon the form of government and the power structure.

The heritage of the participatory accompaniment model

The participatory model of accompaniment generated expectations and strengthened the conviction that participation played a social and democratically useful role, generated a collective learning process and subsequently failed to overcome the limitations of its original matrix. As can be seen immediately below, part of this matrix is shared by the current participatory system. The participatory model which has been inherited leaves the following features:

- Legitimacy and representation depend upon the Office of the President.

- The law and its enabling regulations conserve these prerogatives.

- There are difficulties as concerns representation and legitimacy.

- The levels of participation are not binding.

- Non-compliance with the law is not sanctioned.

- The legal framework conserves the political voluntarism regarding compliance with provisions.

The entire model is marked by a "soft" logic of information, consultation and proposal.

- There were no channels with power from participation over decision-making spaces and resources.

- The public policy cycle had no counterpart in the participatory model.

- The participatory model was not linked to institutional reforms and levels of government.

- There was a significant level of confusion between the National Council for Social and Economic Planning (CONPES) and the national committees and councils.

- The Municipal Development Councils (CDM) did not have clear rules or competencies.

- The CDMs were mainly there for purposes of accompaniment and the channelling of demands, with no real capacity to enter the planning cycle and local public policy decision-making.

Thus a general overview of the inherited participatory cycle shows the model was based on a dominant logic, namely that of creating spaces for the accompaniment of government decisions, in its lowest version.

In its highest version, it intended to occupy spaces of consultation, advocacy and accountability from the medium level upward and from the medium level downward, as entities for the empowerment for local decision-making.

The idea of a model that might be able to organize an intensive consensus-reaching system as a form of government was diluted in this logic, and ultimately proved unable to influence the power structure. Both the high and low versions of the participatory model had its supporters, and the solution found to deal with the contradiction was a hybrid represented by the proposal of institutionalization described above and which was left on the table by the outgoing Bolaños administration.

In the years 2006-2007, this contradictory process was suspended as a result of political crisis, the process leading up to the November 2006 elections and the coming to office of a government which redefined the participatory process from an entirely different perspective, thus further exacerbating the contradictions.

This was the case because the logic underlying each model in dispute now faced off more openly. Each unveiled the features implicit in their limitations: one was the participatory model based on accompaniment, which had until then been, for all its failings, one of open pluralism and which with the incoming Sandinista government once again reverted to a model of hierarchical and partisan accompaniment; the other model now exposed was the one that considered participation consisted of exerting influence on government through an intense effort to reach consensus, and which now found itself confronted by a clientilist model.

This much is admitted in his own way by the secretary of CONPES in 2006.[22] Upon enumerating the long list of consultations and meetings, he concluded his observations on the obstacles and challenges faced by citizen participation as follows:

"The main obstacles faced and mistakes made were [our] lack of consensus around the concept of citizen participation. For civil society participation must carry implicit the capacity to carry out advocacy and influence decision-making. For the government, the term has instead been circumscribed to the reception of recommendations which may or may not be incorporated to public policy. Further, the citizen participation spaces were not very institutionalized. CONPES is exclusively a consultative body, and its recommendations are not binding on the government. The MDCs don't function in an institutionalized manner, and there are no institutionalized spaces at provincial level either.

Further, coordination between State institutions is weak, and there is only minimal openness on the part of government and the international financial institutions (IFIs) to discuss and agree on economic policies that affect strategy."

What was at stake in the debate on the participatory models was the relation between the State and society. The outcome conditions the type of government there is, the political spaces, the distribution of resources, the redistribution of power and the existence of checks and balances capable of guaranteeing civil society's functions of control and autonomy.

The fundamental difficulty was then, that the participatory model on the one hand had democratizing demands, while on the other there were in place political and economic arrangements which constrained these.

As mentioned, the entire model was marked by a soft logic of information, consultation and proposal-making. Thus the main demands went unanswered. The inherited participatory cycle shows the model was based on a dominant logic, namely that of creating spaces for the accompaniment of government decisions, in its lowest version of empowerment and advocacy for national and local social actors. In its highest version, it intended to occupy spaces of consultation, advocacy and accountability from the medium level upward and from the medium level downward, as entities for the empowerment for local decision-making.

The characteristics of the new government proposal have for their dominant logic a more pronounced subordination, while simultaneously intensifying dependency on the executive branch, and thus reproduce the same problems of representation and legitimacy which already existed, in aggravated form. Further, there is no improvement in the cycle of public policy from a participatory point of view, and instead new conflicts between spaces and their legitimization are introduced as concerns the channelling of demands. By means of subordination or monopolization, an effort is made to align the already created entities, even when these resist participating in the new logic.

The proposal put forth by the government in 2007 returned the earlier participatory model to a scheme of accompaniment of government actions which is even more dependent than the earlier one, while retaining a number of the same weaknesses and problems.

Its main features confirm flows of decisions and power which are dependent upon the executive branch, which "receives" the demands and takes a decision on them. The functions of "guiding and

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[22] Report on Social Participation in the Design of the Poverty Reduction Strategy in Nicaragua. Ramón Gámez, member of the communal movement, secretary of the CONPES social committee.

correcting the government's actions" are unlikely to be operational unless horizontal spaces are established with real power to reach consensus and delegate power and control at national, intermediate and local levels. It is evident that this scheme also fails to exert real influence on the shape of government and the power structure. The scheme is vertical and top-down, less pluralist, controlled by the party and subordinated to governmental structures.

From this point of view, the model being proposed is less a participatory model and more of a party para-governmental organization in support of the executive's actions.

Reduction of poverty and local development

The relationship between the reduction of poverty, decentralization and local development is perhaps one of the largest white elephants produced by the new concepts surrounding State reform. Poverty as an extended social phenomenon in countries such as Nicaragua is a structural problem. However, in neoliberal terms, poverty is interpreted rather as an effect which can be treated by sectoral programmes. But of course, if the economic model is considered a structural problem, then it is the model itself which should be changed.

In light of the foregoing, decentralization finds itself in a critical situation. In the framework of public administration reform, decentralization at most contributes to better territorialize the sectoral programs, as for example in the case of the Emergency Social Investment Fund (FISE), which even drew up poverty maps by municipality in order to better target funds and projects. But if the economic development model is taken into account, then decentralization should be linked to local development as part of an economic model which reduces poverty as well as spatial and social inequality.

Between 1994 and 2001, the analyses and policies on poverty in Nicaragua were established by FISE and its social compensation policies. Further on, as part of the conditionalities and new poverty reduction strategies, a paper was prepared (PRSP), which was in essence a project portfolio to be financed by the international donor community. It went on to become the growth strategy, and after that the National Development Plan (NDP). As can be noted in the policies promulgated until 2006, decentralisation remained a cross-cutting issue intended to support the efficacy of public administration from the top downwards and from the middle to the outlying territories.

However, the new conditions and expectations for participation, as well as the evident weaknesses of the PRS and later the NDP, opened an important debate in which decentralization could either augment its potential, or limit itself to a supporting role.

The official NDP combined a top-down approach and external stimuli toward the territory, with local coordination efforts and self-investment by the municipalities in order to facilitate the availability of the territory in the establishment of business clusters, while the government accompanied the process with infrastructure built according to the needs of these clusters.

The approach taken by the CSOs, grouped together in a network,[23] promoted a vision in which the territory was the foundation for the preparation of comprehensive plans based on consensus from the bottom up. This was to be achieved through the functional decentralized institutionality of said plans. Resources were to be channelled to these CSOs, coordinated at local level and combined in a national umbrella organization through which the government could ensure functions of coherence

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[23] Civil Coordinator, GISN.

and national integrity, equity and redistribution which allowed for the balanced development of the country and a reduction in the gaps concerning opportunities and equality.

It was argued at the time that decentralization was linked to three levels of competence, namely the central, regional and local governments, and that these should be articulated and endowed with resources.

The main difference between these two visions was that in the official vision regarding economic growth, stimulating business would have a trickle-down effect, which was considered equivalent to development. In the vision of endogenous development based in the territory, economic growth linked the different social and economic sectors into a comprehensive social and economic strategy, balanced and equitable.

THE DEBATE ON THE NATIONAL DEVELOPMENT PLAN AND THE ROLE OF DECENTRALIZATION		
Official NDP	**CSOs**	**Degree of compatibility**
Targeting tools A competitiveness map	Territorial development plans	Low Depends upon relations between the two.
Development districts	Sectoral plans	Medium Depends upon relations between the two
Strategic planning based on business and territorial clusters.	Comprehensive and sustainable strategic planning in the territory.	Medium Depends upon relations between the two, with CSOs prioritizing the territorial level.
The benefits of economic growth trickle down to the poor. Support to vulnerable groups.	Narrow the gaps in equality and opportunities. Active positive discrimination policies (incomes, tax rates, class, gender, age, ethnic group, disability).	Low CSOs put forth active redistributive policies; the official vision prefers support for vulnerable sectors.
Decentralization and financial autonomy of the municipalities.	Decentralization of the State Strengthening of the municipalities National framework of financial sustainability for municipalities.	Low There are differing concepts of decentralization.
Source: the consultant, based on official and CSO documents.		

The levels of compatibility might have been intermediate if the development districts had been selected through balanced and comprehensive territorial plans. On the other hand, distances were bound to increase if this did not occur and the trickle-down approach and decentralisation imposed themselves, together with a territorial vision determined exclusively by business opportunities.

Under the new conditions existing since 2007, and despite the coming to office of a left-leaning government, the business approach was maintained, the macroeconomic scheme follows the guidelines established by the IMF, and decentralisation is more than ever subject to top-down government. Sectoral plans with social aims continue to dominate the scene.

From this set of circumstances it might have been deduced that decentralisation was destined to play an important role in the reduction of poverty and local development. But it was not to be. It is worth pointing out that this was a wasted opportunity to make visible and empower groups of poor people. There were two reasons for the failure of the National Development Plan. The first was the approach taken towards poverty, which explained it as the outcome of poor economic management and an effect of the capture of the State. This papers over the link between poverty, the economic

model and the most dominant sectors in it, and in doing so undermines any possibility of devising a policy leading to pro-poor reforms. The second reason was the approach taken towards the poor themselves. They are defined as individuals who lack assets and education, and not as social groups with certain characteristics which force them into a subordinate position in the economy and society. This eliminates the possibility of drafting policies which might favour their constitution as political subjects of the problems that need to be solved.

III. ATTEMPT AT AN ASSESSMENT

Keeping in mind the troubled trajectory of decentralisation, what conclusions might be reached regarding the issues discussed in this text – the transfer of power and rights, the reduction of poverty and local development, empowerment and participation?

It is worth asking in the first place if decentralisation, as a policy and process intended to make democracy, rights and the reduction of poverty a reality, was a genuine and endogenous endeavour, or instead something imported from abroad and at the very least induced. This question is important because it is at the core of the political sustainability of decentralisation, unveils the actors and exposes the potential and limitations of the model. The reply is that the issue was originally exogenous, but that ownership was gradually taken.

Another aspect is that labouring under the weight of expectations which accumulated over time, it was precisely the verification of the reality of decentralisation which was overlooked in terms of consistency.

At the time a number of analyses were carried out which suggested that decentralisation was a locomotive in movement, pulling the wagons of change with it. In its most enthused version, decentralisation was touted as the painless democratic and social revolution which had hitherto not taken place.

But in fact, decentralisation was a limited policy objective in the overall reform of the State and a strongly conditioned process. This was in part induced by the donor community, which placed it on the policy agenda, but it was never a strategic commitment of the main actors with power.

In reality, these did not wish to lose their share of power for the benefit of extra-systemic actors who might alter the game of sinecures, favours, protection and support in exchange for loyalty and political control. In addition, it was not easy for any government to accept a strong restructuring in the proportionality and use of the administration of resources and the move toward eventual fiscal and budgetary decentralisation, as this would only serve to further diminish what limited capacity it had to get things done from the government.

Who, then, favoured decentralisation?

The municipalities and the mayors exerted pressure for reasons of survival and because they wanted more significant budget allocations. This meant objective pressure on the matter of decentralisation, but was highly malleable and depended on a number rather than the process.

Then there were the social actors. If seen from the official sphere these are known in their political and institutional dimension, but when it comes to "civil society", the picture becomes more blurred.

Who was promoting decentralization?

Here we find two groups of actors. One of them is the space filled with a diversity of local actors frequently called upon to participate on "local development committees" and the implementation of projects; the other is the space taken up by the non-governmental organisations. Both had links to the mayor's offices, associations of mayors and a place in local spaces, but did not as such constitute a coherent whole with clearly structured interests and proposals.

This diverse set of actors coexisted, but never acquired an organicity of its own, nor did it make up a national referent with any real power. The pressure exerted in favour of decentralisation was therefore diffuse and varied, and the actors never carried enough weight as a social movement in the debates, policies and decision-making to affect the process as a whole.

Although networks were formed, such as the RNDDL and CCER, they only became politically more belligerent in the last few years, when for the reasons already described, conditions turned adverse. It can be said there was a mismatch between the expectations of growth and the development of actors capable of rising to these expectations.

Much emphasis was placed on, and there was considerable demand for the creation of a national decentralisation policy and a strategy, again with strong support from the donor community.

However, the real capacity to take ownership of these spaces for putting forth proposals and forging alliances in the territories which might objectively place pressure from the outside toward the centre and from the bottom upward proved insufficient. It would have implied a less abstract, more concrete debate on decentralisation, including which instruments and social, economic and institutional proposals would need to be made operational in the territories, and which tasks the central government was to be in charge of implementing. In a more pragmatic context, the way would have been open by which to advance the process in a more realistic way, instead of expecting too much from a strategy devised nationally, but ultimately unviable in practice.

The outcome of this situation was clear:

> ➢ Unmet expectations.

> ➢ Low intensity decentralisation.

> ➢ An "additive" type of decentralisation, coupled to a process of State reform which failed to modify the type of dominant arrangements between the groups with power who maintained a centralised, institutionally weak state.

Furthermore, the issue of what type of State reform was needed also went unresolved, and is currently a forgotten topic.

This being the current situation, what were, then, the contributions made by decentralisation? Perhaps the most important of these is the very fact that the experience took place, debates were held, expectations roused and experiments undertaken. The hypothesis might be suggested that a change in the political situation could relaunch the process, taking advantage of the experience accumulated. But when examining the overall picture, the realities weigh more. Did decentralisation break down or modify the power structure? Did it promote the empowerment of penalized groups,[24]

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[24] By this are meant those living under specific social conditions whose demands are unmet, for instance poor and landless peasants, women with gender claims linked to said conditions, minority ethnic groups, and so on.
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of ethnic minorities? Did it generate more social control over the sources of power? Did it close the gap between the State, the territory and society? Did it reduce territorial inequality? No doubt, these are key questions when taking stock of the three main themes which have been discussed throughout this text.

The transfer of power and democratisation of the State

On this issue, decentralisation combined with a process of multiplication of spaces which, as mentioned earlier, reflected the needs of the government and the existing gaps between the State, the territory and society.

Were participatory models generated? No doubt they were, and very impressive flowcharts were drawn up, but it proved impossible to apply them. They too, had to coexist with a multiplication of spaces.

Were rights generated as concerns participation? Formally, there are the Constitution and the Citizen Participation Law, but their exercise is weak vis-à-vis the de facto powers and a monopolised institutionality.

Did the amount of spaces generated have for their aim the redistribution of power and the promotion of equity? Potentially yes, but in their accompanying role and under the shadow of a governance model based on exclusionary arrangements, it was not possible to develop its potential.

Were the rights-based, pro-poor, gender, ethnic, child and adolescent approaches disseminated? They were disseminated through associations, NGOs and networks, with the support of donors. In some cases, decentralisation was incorporated to laws, or new ones were written, but decentralisation as such was not an essential pillar in these developments.

The generation of local development, delivery of services and poverty reduction

Nicaragua is a country with a degree of structural poverty which says it all: more than 45% of the population live in such conditions.[25] The relations between the model of development, coverage of services and the reduction of poverty are particularly critical, but it has not been possible to articulate them in a virtuous circle. The phenomenon of a "captive" or monopolised State, unfair competition from positions of power, corruption and exclusionary political power-sharing agreements have blocked the more daring policies, the empowerment of penalized social groups and pro-poor approaches.

Poverty has been an explicit object of public policy since 1994, but it was never able to move beyond imported social compensation programmes, conditioned transfers, generalised millennium development goals and welfarism.

Decentralisation could only play a positive role if the poverty reduction policies and strategies were territorialized. This, however, never went beyond imaginary clusters which were based on the assumption it would be possible to establish competitive niches. Instead, there was an approach based on growth and business without even the most elementary criteria of comprehensive and sustainable development.

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[25] The percentage is higher if other methods of measurement are used, such as Basic Unmet Needs, for example.

Despite the fact that after a hyperinflationary war in the eighties the country stabilised, recovered and got back on the path to growth, where it has remained for the two decades since, this has very little impact on poverty and hardly contributes toward building an equitable development model. The social gaps continue enormous and the variations of a point or half a point in the reduction of poverty do not represent a sustained tendency.

The successive national plans and instruments proved unable to link up with decentralisation in such a way as to lend it contents. Further, at local level, the municipal plans refer to services rather than development, there is no territorialised GDP and physical planning has not laid the foundation for any consistent planning. In 2007 a process of consultation was announced concerning the Physical Planning Law. And there are in fact a number of laws which need to be harmonised.[26]

At one point a strong polemic erupted between the mayors and the RNDDL, in part because the decentralization process conditions municipal transfers and in part because it evidences a recentralisation of power, as the RNDDL points out.[27] *"[RNDDL] has noted that the areas under special management, to be planned and administrated directly by officials appointed by the Executive, clearly affect the principle of municipal autonomy. There is confusion between the classification of special attention and the definition or creation of a new territorial entity when others already exist and have constitutional rank. In addition, the procedures to be implemented are methodologically inconsistent ... [The multiplication of] territorial entities in a bill of this nature, such as planning of natural reserves (parks), special areas, zones set aside for tourism and so on, relegate each of the divisions of the juridical-administrative entities into which the country is organised and who have a democratically elected representativeness."* Finally, the network criticizes *"the lack of definition as concerns coordination between the various levels, as well as the interinstitutional order, given that no clear and well-defined formulas are used to articulate and ensure that decisions taken locally are compatible with policy at a higher level."[28]*

The critical points in physical planning could be positively crossed with decentralisation, but could just as easily drive it into a corner.

CRITICAL POINTS OF PHYSICAL PLANNING
Harmonization of laws, competencies and procedures
Articulation between national / local and representative / hierarchical / institutional levels
Role of areas such as basins, forest reserves, borders and others
Role of associations in municipal territories, civil society participation
Relation between physical planning and development plans
Relation between decentralization, physical planning, and development plans

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[26] The Political-Administrative Division Law, which establishes the political and administrative organization in the territory; the Environment Law; the Law of Municipalities; the Water Resources Law; the National Natural Disaster System Organic Law; the Organic Law of the Nicaraguan Institute of Territorial Studies; the Special law Against Environmental Crimes; the Citizen Participation Law; the Autonomy Statute of the Atlantic Coast Autonomous Regions; and the passage by the National Assembly (Parliament) of the bill for a General Physical Planning and Territorial Development Law.

[27] The RNDDL is of the opinion that as concerns decentralisation, the Physical Planning Bill incorporates aspects of recentralization which undermine municipal autonomy, as it includes elements of centralization on sectoral aspects of development, such as protected areas (parks), forest and tourism development, and lends excessive weight to central government institutions when it comes to local proposals for physical planning.

[28] El Nuevo Diario, 5 July 2008.

Here it must also be noted that the local development plans have lacked sufficient technical and negotiating capacity, although at least three serious efforts were made in three provinces (León, Matagalpa and Río San Juan). In practice, however, it was impossible to generate national planning capacities which take into account public investment, local development, the environment and the management of natural resources.

The situation on the Caribbean Coast is, in this regard, particularly critical, as are the border areas, where in some cases natural resources are involved which generate tension between neighbouring countries.[29]

An important yet little-known aspect is the breakdown of spending on poverty as a sector in the budget. What can be observed is a "package" which includes subsidies, donations, direct aid and above all, municipal transfers, which represent half of all spending in this item line. However, the municipal transfers bear no relation to poverty reduction objectives, policies or strategies. Its use is broken down into projects, usually services and remunerations. Other instruments, such as participatory budgets and consensuses reached by social and economic actors at local level have not advanced past the experimental stage, although several projects have promoted these.

Until the year 2006 the main objectives derived from the Millennium Development Goals were at least included at the line ministries concerned, or were part of the projects being put into practice. However, decentralisation did not play a significant role in this field.

Currently, there is an initiative underway on territorial follow-up to the PADETOM project,[30] but this is not the same as strengthening decentralisation and its role in the reduction of poverty.

The potential for empowerment and inclusion to the platforms and dynamics of social actors

Two processes have been under development over these past years. On the one hand is the increase in spaces for debate and participation; on the other, a diversification of civil society in both quantitative and qualitative terms.[31] However, this phenomenon has two sides, as it has meant more in qualitative than quantitative terms, as regards degree and mass of participation.

Qualitatively there were some significant efforts were made to put forth proposals, participate and empower – at least nine at national level with consequences favourable to decentralisation. Some of

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[29] Politically, administratively and economically, Nicaragua remains much the same as a century ago and the population and production are concentrated mainly in the urban Pacific triangle. The more outlying and border territories are attracted to the dynamic phenomenon of "national border economies", that is to say, places in which economic or simply lucrative activities (some of which illegal) occur and which feed on the flows of goods across the border. The fact that currencies other than the Nicaraguan *córdoba* are used and production is geared directly toward the other side of the dividing line illustrates this situation. The area surrounding the San Juan River, on the border with Costa Rica, is a recurrent example of this situation.

[30] The source of financing for this Project is the United Nations Capital Development Fund (UNCDF), which provided USD 1,609,125 and the United Nations Development Programme (UNDP), which gave USD 300,000. The development goal of this joint UNCDF/UNDP project is that of MDG 1: to eradicate extreme poverty and hunger in Nicaragua, as a contribution to achieving the Millennium Development Goals.

[31] At least two mappings of civil society and several studies on the political culture and participatory processes. These are to be found at the RNDDL, CCER, CINCO and the Social Studies Centre at the Central American University.

these proposals had territorial dynamics and contributed to the emergence of local actors, making them more visible. There can be no doubt that in this framework, those whose special field of action is decentralisation generated a capacity for analysis and proposal-making which display an effective empowerment.[32]

Three objective facts stand out: the forging of the National Network for Democracy and Local Development (RNDDL); participation in the decentralisation sub-table; and the consultations on policy. In addition, there is now a proposal titled "The Decentralisation We Want", and a number of other studies and information.[33]

Some of the organizations working on decentralization in many cases invest their efforts, with donor support, on experiences such as the preparation of local agendas, participatory budgets and social audits. Notwithstanding, it should be pointed out that several of the policy platforms put forth were drafted by associations of civil society organisations. "The Nicaragua We Want", published by the CCER is one such example, as is the RNDDL's "The Decentralisation We Want", cited in the paragraph above.

Quantitatively, the problem is of a different order. Although it is estimated that some 25,000 persons, almost a formal labour sector by Nicaraguan standards, are involved in the different types of associative formations, this too is a fragmented reality.

Its limitation stems from the absence of social and political alliances capable of projecting decentralisation as a movement and ineluctable component of the political agenda. Many social organizations find themselves territorialized to some degree in their origins, but not all invest their resources in building local capacities linked to decentralisation as a process.

During certain periods some organizations achieved real interlocution with the government and international cooperation, such as during the emergency after Hurricane Mitch, the debate on PRS and the debate which preceded the consultation on decentralisation policy. Results varied, and did not constitute a sustained tendency.

Opportunities and decentralization	Generation of local development, service delivery, poverty reduction	Potential for empowerment	Incorporation to the platforms and dynamics of social actors
Post-Mitch reconstruction	Was not linked to decentralization.	New organizations were formed.	Organizations participated in the dialogue and debate. Proposals were put forth. Low degree of influence.
PRS - NDS – NDP	Was not linked to decentralization.	New organizations were formed, including umbrella organizations.	Proposals were put forth. Organizations participated in the consultations. Low degree of influence.
Decentralization policy and strategy.	Never became State policy, left pending.	New coordinating entities were formed.	Proposals were put forth. Organizations participated in the consultations. Low degree of influence.

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[32] There now exists a local production of research, analysis and evaluations which did not exist before. There are technicians and researchers who have become experts on the subject.

[33] See "La Imposible Gobernabilidad Pro Pobres en Nicaragua" ("Impossible Pro-Poor Governance in Nicaragua". Angel Saldomando. In Que haremos con los pobres? (What shall we do with the Poor? L'Harmattan, Paris, France. 2005.

As the table above shows, there were some positive outcomes. However, the dependency on projects, NGOs and external funds made this a volatile and less consistent process than other forms of identity and classical types of associations and organizations.

Nor does the issue of empowerment escape the problem of representation and effective mobilization, which includes the relation with the government and political system. In this case, things appear to have developed in parallel worlds, in which there were circumstantial contacts under conditions of mutual coexistence or conflict, but never as consistent alliances capable of moving or sustaining processes.

In Nicaragua there is much talk about "the people", "the poor" and other denominatives of the excluded social classes. However, in fact and officially very little is actually done to truly empower them, and in practice preference is given to control. For its part, civil society and its expressions of autonomy do not carry sufficient weight when it comes to resources, recognition and effective participation.[34]

Several favourable bills introduced to the National Assembly on matters of rights and the recognition of social problems which lead to the enactment of policies, have in several cases been the result of triangulated lobbying on the part of autonomous organizations, NGOs and the donor community. They are not, however, the result of a progressive empowerment reflecting a gradual empowerment which might represent an accumulation of forces capable of affording sustainability and consistency over time to the processes of social organization.

There are various examples of this dynamic. When the therapeutic abortion law was repealed, for instance, the feminist movement alone clearly lacked the strength needed to stop this from happening, but no alliances were forged either. When minority rights are abused, rights organizations are unable to put up an effective opposition, as happens on the Caribbean Coast, or when there are occupations of land. When the national and local participatory spaces were dismantled, the potential for empowerment did not materialize either. At most they continued operating in parallel fashion.

The overall assessment, then, leads to a general conclusion: the evolution of the political situation has produced a setting which is adverse to a positive relationship between decentralization and the redistribution of power, empowerment and possibilities for advocacy based on democratic rights and spaces.

In particular the centralization of power, the monopolization of the State and the exercise of power by para-institutional means have augmented already existing barriers.

The rule of law, already fragile, has been severely damaged by the partisan nature of the judicial system. Taking recourse in the law and institutions of control is paralysed when rights are infringed upon by figures linked to the government or power groups.

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[34] An evaluation promoted by Swiss Development Cooperation (SDC) reached this conclusion upon analyzing the relationship between the poverty reduction strategy and decentralization. See "The perspective of civil society regarding its participation in and follow-up to the PRS. Evaluation of constraints and potential in Nicaragua." 2006, Alianza Sur.

Human rights activists and feminist organizations, as well as other social and political organizations, have been the object of harassment and intimidation.

"The judicial branch in Nicaragua cannot be considered independent, impartial, professional and capable of guaranteeing the effective application of the principle of legality, as concerns the right to equality before the law and the safeguarding of the human rights of all persons, without discrimination. Justice has been one of the weakest points in democratic institutionality.

The judicial branch has been used repeatedly by the political parties and economic and religious sectors which exert an influence upon it, to exclude and persecute adversaries, favour certain economic interests, traffic in influences and exercise political clientilism. This has generated an atmosphere of juridical insecurity among the entire population. Activists and human rights organizations, and women in particular, are exposed to the opening of investigations and legal proceedings for alleged crimes such as advocating criminal behaviour, conspiracy and even money laundering."[35]

A number of international and local reports corroborate this deteriorating situation and have formulated recommendations which have been generally ignored.[36]

The restrictions placed on the rule of law, democracy in general and the concentration of power are all factors which signify barriers to the dynamic of progress as concerns rights, equality and the empowerment of autonomous social organizations.

Decentralisation, then, as well as other issues, are therefore subject to whatever possibilities politics may leave open to it. For the moment, decentralization does not appear to be a major issue on the political agenda.

And if the possibilities for advancement depend upon politics, then it must be asked at the conclusion of this essay, what the possibilities are for the emergence of political and social subjects capable of raising the issue of the role to be played by the State and that of decentralization within it.

For this to materialize, there can be no doubt that first of all there must be a change in macro-political conditions, in order to replenish broad and pluralist spaces. Secondly, the stakeholders themselves must prove able to coordinate as a social movement, something which in Nicaragua is very much subject to interference in the course of the political game. The civil society development process described herein is not dead, but has certainly been reigned in severely, and it is not yet clear how it might recoup.

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[35] Human Rights Violations in Nicaragua. Report presented to the UN Human Rights Committee in Geneva, Switzerland CENIDH, CODENI, RMCV and OCCT (2008).

[36] See the Amnesty International Report on Nicaragua (2010), the Recommendations of the UN Human Rights Committee (2008) and other reports and statements issued by the Institute for Democracy and Development (IPADE), Ethics and Transparency (ET) and the Centre for Communications Research (CINCO).